GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA

UNSTARRED QUESTION NO:2185
ANSWERED ON:14.08.2006
NEW CONSUMER PRICE INDEX
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Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a) whether the Government proposes to make a new price index in the form of `Urban Consumer Price Index`;

(b) if so, the details thereof;

(c) the number and the category of the commodities whose prices are proposed to be included in the said index; and

(d) the new features proposed to be incorporated in the proposed index in comparison to the current wholesale price index?

Answer

MINISTER OF STATE IN THE MINISTRY OF LABOUR & EMPLOYMENT (SHRI CHANDRA SEKHAR SAHU)

(a): Ministry of Statistics & Programme Implementation (Central Statistical Organisation) has a proposal in this regard.

(b): According to information received from them, Consumer Price Indices (CPI) presently compiled and released for Industrial Workers, Agricultural/Rural Labourers and Urban Non-manual Employees at National level reflect the fluctuations in retail prices of commodities in the country and pertains to this specific segment of population. These indices do not encompass all the segments of the population in the country and as such do not reflect true picture of the price behaviour in the country. In view of above, it is proposed to construct CPI (Urban) covering all segments of urban population for States/UTs and All-India.

(c): The number and the category of the commodities whose prices are proposed to be included in the said index would be decided only after the construction of the weighting diagram at national/state level. The weighting diagram would be prepared from the results of the NSS 61st round Consumer Expenditure Survey (CES) conducted during 2004-2005, which are yet to be released.

(d): There is no comparison between Consumer Price Index and Wholesale Price Index. The weighting diagram of the Consumer Price Index will be based on consumption behaviour as revealed by the CES of the NSS 61st round. The retail prices of items consumed by the urban population including personal services will be utilized for compilation of CPI(Urban), whereas the weighting diagram of Wholesale Price Index is based on the marketed surplus and the wholesale prices of commodities for

(i) Primary articles (Food, Non-food and Minerals)

(ii) Fuel, Power, Light and Lubricants and

(iii) Manufactured Products are utilized for index computation.

The proposed Consumer Price Index (Urban) would cover all segments of urban population, namely, affluent class, middle class and poor class spread over to more than 300 towns of all types (Metros, Class I, State Capitals, Class II, Class III and Class IV) in all States/UTs.